

Please amend the claims as follows:

1. (Currently Amended) A capsule that contains liquid and/or dry material to be subsequently dispensed into a container comprising:

a capsule body that is impervious to liquid;

said capsule body, including a first member and a second member, said second member mountable in said first member;

said capsule first member body having a top opening and a sealed closed bottom;

said capsule second member having a sealed closed top and an open bottom and a cutting element defining the open bottom, said cutting element further including a first prong and a second prong disposed along the peripheral edge of the second member bottom and having a cutting edge disposed between said first prong and said second prong, said first prong and said second prong being disposed below an opposite bottom edge and forming the lower portion of said bottom edge whereby said first member can be moved relative to said second member such that the second member will cut open the sealed closed bottom of said first member; and

said first and second members in a first mode are sealed forming said capsule body preventing any liquid or dry material from escaping from the capsule body.

2. (Original) A capsule as in claim 1, wherein:

said first member is cylindrical and said second member is cylindrical; and

the inside diameter of said first member being larger than the outside diameter of the said second member.

3. (Original) A capsule as in claim 2, wherein:

said first member sealed bottom has an area of weakened material around its periphery, for rupture by said second member.

4. (Original) A capsule as in claim 2, wherein:  
said first member inside wall has a sealing means that engages said second member.
5. (Original) A capsule as in claim 1, wherein:  
said first member has a peripheral lip with apertures that extends radially outward from said first member top opening.
6. (Original) A capsule as in claim 1, wherein:  
said second member has a hole in said closed end and removable sealing means covering said hole.